

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re:	:	CHAPTER 11
	:	
ISLAND VIEW CROSSING II, L.P.	:	BANKRUPTCY NO. 17-14454(ELF)
	:	
Debtor	:	

**EXHIBITS “A” AND “B” TO DISCLOSURE STATEMENT WITH RESPECT TO
PLAN OF LIQUIDATION PROPOSED
BY KEVIN O’HALLORAN, AS CHAPTER 11 TRUSTEE FOR THE BANKRUPTCY
ESTATE OF ISLAND VIEW CROSSING II, L.P.**

KARALIS PC
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Dated: May 26, 2021

EXHIBIT “A”

Projections

ISLAND VIEW CROSSING II, LP
FOR SETTLEMENT & DISCUSSION
ONLY

CASH FLOW BUDGET PROJECTION

	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Beginning Balance:	\$ 3,642,046	\$ 3,615,909	\$ 3,955,839	\$ 4,486,064	\$ 4,455,363	\$ 3,281,321	\$ 2,986,899	\$ 2,720,818	\$ 2,785,366	\$ 3,019,985	\$ 2,498,904
RECEIPTS											
BKRE Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BKRE Admin Claim	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Townhome Sales less closing costs & release amounts required at closing (See Note 1 below)	\$ 280,200	\$ 598,300	\$ 651,425	\$ -	\$ -	\$ -	\$ -	\$ 172,145	\$ 793,851	\$ -	\$ -
Other Income											
Proceeds from Sale of Phase II	\$ 5,400,000										
Total Receipts	\$ 280,200	\$ 5,998,300	\$ 651,425	\$ -	\$ -	\$ -	\$ -	\$ 172,145	\$ 793,851	\$ -	\$ -
DISBURSEMENTS (See supporting schedules for line items.)											
Site Improvements	\$ 80,040	\$ 140,040	\$ 95,040	\$ -	\$ 60,000	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -
Construction costs	\$ 192,500	\$ 38,500	\$ -	\$ -	\$ 255,000	\$ 255,000	\$ 255,000	\$ -	\$ 510,000	\$ 510,000	\$ 510,000
Pre-close costs	\$ 30,702	\$ 78,662	\$ 26,160	\$ 30,702	\$ 59,042	\$ 39,422	\$ 11,082	\$ 47,597	\$ 49,232	\$ 11,082	\$ 39,422
Real Estate Interest pmts	\$ 1,190	\$ 1,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real Estate-Scheduled Principal pmts	\$ -	\$ 612,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RDA Fees & Loan Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BKRE Admin Claim Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional BKRE loan payoff amounts	\$ -	\$ 4,669,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan Origination Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ 304,432	\$ 5,539,932	\$ 121,200	\$ 30,702	\$ 374,042	\$ 294,422	\$ 266,082	\$ 107,597	\$ 559,232	\$ 521,082	\$ 549,422
Total Receipts Less Disbursements	\$ (24,232)	\$ 458,368	\$ 530,225	\$ (30,702)	\$ (374,042)	\$ (294,422)	\$ (266,082)	\$ 64,548	\$ 234,619	\$ (521,082)	\$ (549,422)
Other related expenses											
Professional Fees & Trustee Commission	\$ (1,906)	\$ (118,437)		\$ (800,000)							\$ (800,000)
Class 1-Tax Claim Bureau											
Class 7-Pre-Petition Judgment Claims											
Class 8-Priority Claims											
Class 9-General Unsecured Claims											
Month End Balance	\$ 3,615,909	\$ 3,955,839	\$ 4,486,064	\$ 4,455,363	\$ 3,281,321	\$ 2,986,899	\$ 2,720,818	\$ 2,785,366	\$ 3,019,985	\$ 2,498,904	\$ 1,149,482

See accompanying Footnotes to Cash Flow Projection

ISLAND VIEW CROSSING II, LP
FOR SETTLEMENT & DISCUSSION
ONLY

CASH FLOW BUDGET PROJECTION

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	TOTALS
Beginning Balance:									
RECEIPTS	\$ 1,149,482	\$ 1,141,960	\$ 1,682,879	\$ 2,706,837	\$ 3,226,755	\$ 4,277,674	\$ 5,344,327	\$ 5,646,320	\$ 122
BKRE Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,732,377
BKRE Admin Claim	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Townhome Sales less closing costs & release amounts required at closing (See Note 1 below)	\$ 531,000	\$ 1,062,000	\$ 1,593,000	\$ 531,000	\$ 1,062,000	\$ 1,906,075	\$ 313,075	\$ -	\$ 25,232,793
Other Income									\$ 65
Proceeds from Sale of Phase II									\$ 5,400,000
Total Receipts	\$ 531,000	\$ 1,062,000	\$ 1,593,000	\$ 531,000	\$ 1,062,000	\$ 1,906,075	\$ 313,075	\$ -	\$ 35,565,235

DISBURSEMENTS (See supporting schedules for line items.)									
SOI Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,338,953
Construction costs	\$ 510,000	\$ 510,000	\$ 510,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,244,107
Phase II costs	\$ 28,522	\$ 11,082	\$ 59,042	\$ 11,082	\$ 11,082	\$ 39,422	\$ 11,082	\$ 39,422	\$ 3,078,622
Phase II Interest pmts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,214
RDA Loan-Scheduled Principal pmts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,314,100
RDA Fees & Loan Costs									\$ 70,554
BKRE Admin Claim Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Additional BKRE loan payoff amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,669,463
Loan Origination Expenses									\$ 70,000
Total Disbursements	\$ 538,522	\$ 521,082	\$ 569,042	\$ 11,082	\$ 11,082	\$ 39,422	\$ 11,082	\$ 39,422	\$ 26,106,012

561	Total-Receipts Less Disbursements	\$ (7,522)	\$ 540,918	\$ 1,023,958	\$ 519,918	\$ 1,050,918	\$ 1,866,653	\$ 301,993	\$ (39,422)	\$ 9,459,223
562	HOA related expenses									\$ (72,633)
563	Professional Fees & Trustee Commission						\$ (800,000)	\$ (1,180,549)	\$ (4,818,407)	\$ (124,155)
564	Class 1-Tax Claim Bureau									
565	Class 7-Pre-Petition Judgment Claims									\$ (219,328)
566	Class 8-Priority Claims									\$ (17,800)
567	Class 9-General Unsecured Claims									\$ (3,166,651)
568	Month End Balance	\$ 1,141,960	\$ 1,682,879	\$ 2,706,837	\$ 3,226,755	\$ 4,277,674	\$ 5,344,327	\$ 5,646,320	\$ 1,040,371	\$ 1,040,371
569	See Accompanying Footnotes to Cash Flow Projection									

**ISLAND VIEW CROSSING II, LP
FOR SETTLEMENT & DISCUSSION
ONLY
FOOTNOTES TO CASH FLOW
BUDGET PROJECTION**

Note 1- Total gross sales price received on 19 units settled through 3/31/21 is \$7,020,260. The total projected gross price on remaining units is \$24,384,000 for a total of \$31,404,260.

Note 2-Closing on sale of Phase 2 projected to occur in March, 2022. An estimated gross sale price of \$6,000,000, after payment of estimated closing & misc. costs of \$600,000, the balance of the sales proceeds would be \$5,400,000 which would be used to pay principal reduction payments to (i) the RDA of \$612,100, (ii) the Post-Petition Lender of \$4,669,463 and (iii) the Class 1 Tax Claim Bureau of \$118,437.

Note 3:

The Prudential release prices for Phase 1 will result in Prudential being paid a total of \$2,585,000 from the sale and closing of the 73 residential units in Phase 1. The unpaid principal balance of the Prudential Class 3 Claim after the sale and closing of the 73 residential units in Phase 1 would be \$1,507,444.

Note 4:

The remaining cash at the end of this projection is an estimate based on all the assumptions in this projection being realized as projected including the sale of Phase 2 for a gross sale price of \$6,000,000. To the extent any assumption is not realized as projected, the ending cash balance would need to be adjusted accordingly. These projections do not include any estimated recovery in connection with the Trustee's Actions against Prudential.

Note 5:

The general unsecured claims total approximately \$3,166,651. The Trustee has not yet determined the objections to claims, if any, that he may file on or before the Claims Objection Deadline. The Trustee will complete his review prior to the Claims Objection Deadline and file any objections that he deems appropriate.

EXHIBIT “B”

Liquidation Analysis

<u>ASSETS</u>		<u>Amount</u>
Cash		\$ 3,175,438
State Street Receivable		\$ 45,000
Phase 1 (approved/improved for a total of 73 townhomes)		\$ -
RiverfrontLots/Units	15	\$ 1,500,000
Lots on which vertical construction has commenced	4	\$ 150,000
Lots on which vertical construction is partially completed	3	\$ 675,000
Lots on which vertical construction is completed or substantially complete	7	\$ 2,100,000
Subtotal		<u>\$ 7,645,438</u>
Phase 2 Land (approved/improved for 96 condominium units)		\$ 2,500,000
Trustee's Actions against Prudential		TBD FN 1
Trustee's 11 U.S.C. § 506(c) Claims		TBD FN 1
Office & Site Equipment (Model Furnishings, etc.)		<u>Negligible Value</u>
<u>TOTAL ASSETS</u>		<u>\$ 10,145,438</u>

LIABILITIES

Amount

Accounts Payable

603,000

Secured Claims

Bucks County Tax Claim Bureau Claim (Class 1)	\$	118,437
Redevelopment Authority of Bucks County Claim (Class 2)	\$	835,600
Post-Petition Loan Claim (unclassified claim)	\$	5,667,086
Prudential Construction Loan Claim (Class 3)	\$	2,937,444

Prudential Disputed IVC-Durham Loan Claim (Class 4)	\$	-	FN 2
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Disputed Steeple Run Collateral Mortgage Claims (Class 5)	\$	-	FN 2
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Disputed Calnshire Collateral Mortgage Claim (Class 6)	\$	-	FN 2
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Pre-Petition Judgment Claims (Class 7)	\$	-	FN 3
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Total Secured Claims		<u>9,558,567</u>
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Chapter 11 Administrative Claims

Professional Fee Claims incurred by Debtor	\$	168,276
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Professional Fee Claims and Trustee Commissions incurred by interim trustee	\$	21,035
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Professional Fee Claims and Trustee Commissions incurred by the Trustee	\$	3,942,000
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Total Chapter 11 Administrative Claims		<u>4,131,311</u>
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Priority Claims (Class 8)

\$ 17,800

Chapter 7 Administrative Claims

Trustee Commission Estimated at 3% of sales price	\$	157,750	FN
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Professionals/Insurance/Security	\$	400,000	FN
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Total Chapter 7 Administrative Claims		<u>\$ 557,750</u>
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Total Secured, Administrative and Priority Claims	\$ 14,868,428
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SUMMARY

Liquidation Value of Assets	\$ 10,145,438
Less: Secured, Administrative and Priority Claims	\$ 14,868,428
Amount Available for Unsecured Creditors	\$ (4,722,990)

FN 1: This Claim has not yet been determined by the Court.

FN 2: Assumes this Claim is Disallowed.

FN 3: Assumes these Claims are undersecured in chapter 7 liquidation.